

CHAPTER 1

LEGAL, FINANCIAL, COMPLIANCE, AND RELATED INFORMATION

R645-301-100

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CHAPTER 1:LEGAL, FINANCIAL, COMPLIANCE, AND RELATED INFORMATION

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Chapter 1 (R645-301-100)

LEGAL, FINANCIAL, COMPLIANCE, AND RELATED INFORMATION

1.12 Identification of Interest

1.12.1 Business entity

Applicant is a corporation, incorporated under the laws of the state of Virginia, and registered to do business in Utah.

1.12.2 Applicant:

Genwal Coal Company
P.O. Box 1201
Huntington, Utah 84528
Telephone (801)687-9813
Employee I.D. #54-0972798

Operator:

Genwal Coal Company
P.O. Box 1201
Huntington, Utah 84528
Telephone (801)687-9813

Resident Agent:

Larry W. Johnson
Genwal Coal Company
P.O. Box 1201
Huntington, Utah 84528
Telephone (801)687-9813

As operator of the mine, Genwal will continue as Permittee under permit no. ACT/015/032

1.12.230 The abandoned mine land reclamation fee will be paid jointly by Intermountain Power Agency and Nevada Electric Investment Corporation being joint owners of the applicant.

1.12.3 Ownership and Control

Joint owners of applicant:

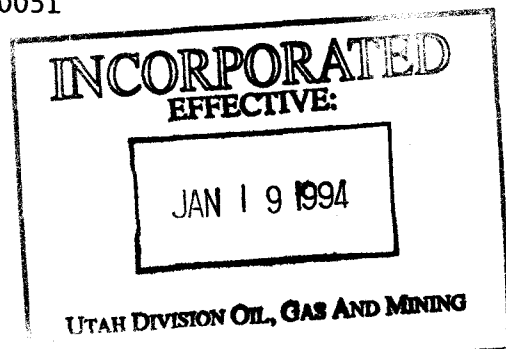
1. Intermountain Power Agency, Joint owner:

c/o Los Angeles Department of Water and Power
P.O. Box 111, Suite 1164
Los Angeles, California 90051
Telephone (213)481-4104

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4/20/93

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Name and address of IPA's general manager:

Reed T. Searle
Intermountain Power Agency
480 East 6400 South, Suite 200
Murray, Utah 84107
Telephone (801)262-8807
Assumed position September, 1989

Resident Agent for IPA:

Mark Buchi
Holme, Roberts, and Owen
111 East Broadway, Suite 1100
Salt Lake City, Utah 84111
Assumed position January, 1988

2. Nevada Electric Investment Company, Joint Owner:

2835 South Jones Boulevard
Las Vegas, Nevada 89102
Telephone (702)252-5001

Name and address of NEICO's President is:

Charlie F. Vaughn
Nevada Electric Investment Company
2835 South Jones Boulevard
Las Vegas, Nevada 89102
Assumed position May, 1989

Resident Agent of NEICO:

Patrick H. Fenton
154 North Main Street, #203
Cedar City, Utah 84721
Telephone (801)586-4351
Assumed position January, 1985

Names and addresses of officers of Genwal Coal Company:
(R645-301-112-310)

Charlie F. Vaughn, President
2835 South Jones Blvd.
Las Vegas, Nv. 89102
Assumed position May, 1989

Allen P. Childs, Vice President
Genwal Coal Company
P.O. Box 1201
195 North 100 West
Huntington, Utah 84528

Assumed position April, 1990

Richard L. Hinckley, Secretary
6226 W. Sahara Ave.
Las Vegas, Nv. 89102
Assumed position May, 1989

Denise Wood, Treasurer
2835 South Jones Blvd.
Las Vegas, Nv. 89102
Assumed position July, 1992

Names and addresses of officers, directors and principal shareholders of IPA:
(R645-301-112-310)

Officers of IPA:

Reece D. Nielsen, Chairman
105 South 600 East
Hyrum, Utah 84319
Assumed position January, 1983

R. Leon Bowler, Vice-Chairman
Dixie-Escalante Rural Electric Assoc., Inc.
Beryl, Utah 84714
Assumed position January, 1983

Ray Farrell, Secretary
Heber Light & Power Co.
31 South 200 West
Bountiful, Utah 84010
Assumed position November, 1984

Directors of IPA:

Reece D. Nielsen, Chairman
105 South 600 East
Hyrum, Utah 84319
Assumed position January, 1983

R. Leon Bowler, Vice-Chairman
Dixie-Escalante Rural Electric Assoc., Inc.
Beryl, Utah 84714
Assumed position January, 1983

Ray Farrell, Secretary
Heber Light & Power Co.
31 South 200 West
Bountiful, Utah 84010
Assumed position November, 1984

Clifford C. Michaelis, Treasurer
Bountiful Light & Power
198 South 200 West
Bountiful, Utah 84010
Assumed position January, 1990

Robert O. Christiansen, Director
480 East 6400 Suite 200
Murray, Utah 84107
Assumed position January, 1989

Russell F. Fieldsted, Director
480 East 6400 South Suite 200
Murray, Utah 84107
Assumed position January, 1989

Ted L. Olson, Director
480 East 6400 South Suite 200
Murray, Utah 84107
Assumed position January, 1989

Principle Shareholders of IPA:

IPA has no shareholders. IPA is a political subdivision of
the State of Utah, and as such, has not issued stock.

Names and addresses of officers, directors, and principal shareholders of NEICO:

Officers of NEICO:

Charles A. Lenzie, Chairman
6226 W. Sahara Ave.
Las Vegas, Nevada 89102
Assumed position May, 1989

Charlie F. Vaughn, President
2835 South Jones Boulevard
Las Vegas, Nevada 89102
Assumed position May, 1989

Robert W. Mower, Vice President
2835 South Jones Boulevard
Las Vegas, Nevada 89102
Assumed position April, 1990

Richard L. Hinckley, Secretary
6226 W. Sahara Ave.
Las Vegas, Nevada 89102
Assumed position May, 1991

Denise Wood, Treasurer
2835 South Jones Boulevard

Las Vegas, Nevada 89102
Assumed position July, 1992

Directors of NEICO:

Charles A. Lenzie, Chairman
6226 W. Sahara Ave.
Las Vegas, Nevada 89102
Assumed position May, 1989

Charlie F. Vaughn
2835 South Jones Boulevard
Las Vegas, Nevada 89102
Assumed position May, 1989

James C. Holcombe
6226 West Sahara Ave.
Las Vegas, Nevada 89102
Assumed position May, 1989

Principal Shareholders of NEICO:

All stock of NEICO is owned by
Nevada Power Company
6226 West Sahara Ave.
P.O. Box 230
Las Vegas, Nevada 89151

Names under Which the Joint Owners and Principal shareholders have previously operated mining activities (R645-301-112-321):

IPA is currently engaged in the reclamation of the Horse Canyon Mine, located in Emery county, Utah.

Legal owners of area to be affected by surface operations and facilities:

United States Government
Administered by the United States
Department of Agriculture, Forest Service,
Intermountain Region
Manti-La Sal National Forest
599 West River Drive
Price, Utah 84501

Mountain Coal Company
P.O. Box 591
Somerset, Colorado 81434

State of Utah
Administered by the Department of Natural Resources
3 Triad Center, Suite 450
Salt Lake City, Utah 84180-1204

Legal owner of coal to be mined:

United States Government
Administered by the United States
Department of Interior, Bureau of Land Management
Moab District
P.O. Box AB
Price, Utah 84501

State of Utah
Administered by the Department of Natural Resources
3 Triad Center, Suite 450
Salt Lake City, Utah 84180-1204

1.12.4 List of current or previous coal mining permits and pending permit applications:

IPA is currently engaged in the reclamation of the Horse Canyon Mine, under permit ACT/007/013, located in Emery county, Utah.

Castle Valley Resources, a subsidiary of NEICO and IPA. Holds permit #ACT/007/012, the permit area located south of Wellington, Utah

Corporate Status of Joint Owners:

IPA is a political subdivision of the State of Utah created under the Interlocal Cooperation Act, Title II, Chapter 13, Utah code Ann. 1953, as amended.

NEICO is a Nevada corporation.

1.12.5

Holders of record of any leasehold interest in areas to be affected by surface operations or facilities:

Lessee:

Genwal Coal Company

Lessor:

Mountain Coal Company
P.O. Box 591

Somerset, Colorado 81434

Holders of record of any leasehold interest in the coal to be mined:

Lease, SL-062648, issued to John F. Sanders, Fairview, Utah on Jan. 3, 1942 and readjusted Jan. 3, 1962. John F. Sanders died in 1976, and this lease states that the coal lease was then owned by his heirs as recorded on July 9, 1979 in Emery County as follows:

Venna May Sanders, wife
Deon J. Sanders, son
Alice Maurine Beck, daughter
Robert Dereese Sanders, son
John Frank Sanders, son
Dorthea Garlick, daughter

The lease was assigned to Genwal Coal Company by the heirs. Currently IPA and NEICO have an undivided 50% interest as tenants in common of all leases previously held by Genwal. The BLM has approved the assignments and documents IPA and NEICO as the current leaseholders. A document indicating BLM approval is included as Appendix 1-1.

1.12.6 Owners of Contiguous Areas Both Surface and Underground:

Surface Ownership:

Mountain Coal Company (ARCO)
P.O. Box 591
Somerset, Colorado 81434

United States Government
Administered by the United States
Dept. of Agriculture, Forest Service
Intermountain Region
Manti-La Sal National Forest
599 West Price River Drive
Price, Utah 84501

Mineral Ownership:

United States Government
Administered by the United States
Dept. of Interior, Bureau of Land Management
Moab District
P.O. Box AB
Price, Utah 84501

Owners of contiguous areas both surface and underground:

See Plate 1-1

1.12.7 Mine Identification: MSHA Numbers

Crandall Canyon Mine
MSHA No. 42-01715

Castle Valley Resources
Wellington Loadout
MSHA No. 42-00099

I.P.A.
Horse Canyon mine site
MSHA No.

1.12.8 Pending Interests of Lands Contiguous to Permit Area:

The applicant has interests in lands contiguous to the area covered by the proposed mine permit (See Plate 1-1). A "Lease by Application (LBA)" is currently being processed by the Bureau of Land Management, after which the appropriate bid process will begin.

1.13 Violation Information:

The applicant currently operates coal mining operations under approved mining permit numbers ACT/007/012 for the Wellington Prep. Plant site in Carbon county, Utah, and ACT/015/032 for the Crandall Canyon Mine in Emery county, Utah. Permit ACT/007/012 is currently under review and Permit ACT/015/032 was approved and issued May 13, 1993.

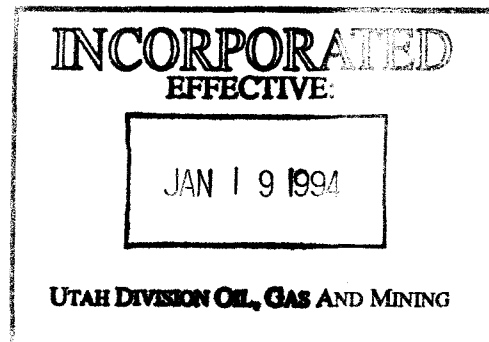
The Applicant, nor any subsidiary, affiliate, or persons controlled by or under common control with the applicant, has not had a Federal or State mining permit suspended or revoked in the last five years. Nor have they forfeited a mining bond or similar security deposited in lieu of a bond. There are no unabated cessation orders or air and water quality violation notices received prior to the date of the application, by any coal mining and reclamation operation owned or controlled by Genwal or by any person who owns or controls Genwal.

Notices of Violations that have been acquired at the Crandall Canyon Mine, to date, are listed on the following table.

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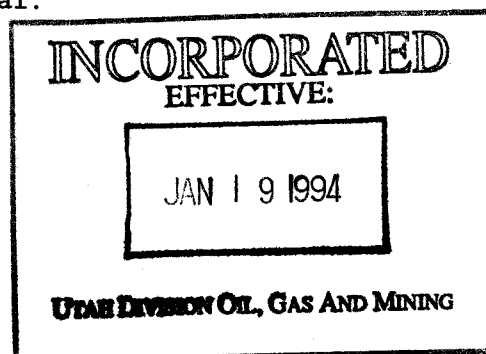
Mine Operation Violations 1990 thru 1993

Violation/ Cessation	Issued Date	Abatement/ Statement	Lapsed Time	Pertinent Regulations
N90-17-03-02 01 of 02	05/15/90	08/24/90 08/15/90		Activity within the stream buffer zone.
02 of 02	08/15/90	10/31/90 08/15/90		construct without approval
N90-17-04-02	09/05/90	10/01/90		Failure to maintain ditches
N90-17-05-02 01 of 02	09/05/90	10/01/90 09/07/90		Failure to monitor subsidence per approved plan
02 of 02	09/05/90	not possible 09/07/90		failure to monitor water per approved plan
N90-18-1-1 01 of 01	07/31/91	08/28/90 08/16/90		conducting mining activity outside pemritted area.
N91-37-2-1	03/15/91	04/08/91		Hindrance
N91-37-4-1	10/08/91	11/11/91		Failure to monitor SP2-24 & SP2-9
N91-37-3-1	10/02/91	11/11/91		Performance Standard, Failure to sample PH
N91-15-2-3 01 of 03	11/7/91 11/07/91	11/07/91		Conducting activity without approval
02 of 03	11/07/91	11/19/91		Surface facility map not current
03 of 03	11/07/91	11/08/91		Failure to maintain bypass culvert
N92-37-2-1	03/11/92			Information on Corp. officers not updated.
N92-43-1-1	12/18/92	After the Fact		Failure to monitor upper & lower flumes for acid,oil, and grease.
N93-43-1-1	9/23/93	9/28/93		a 12" CMP was installed without approval.

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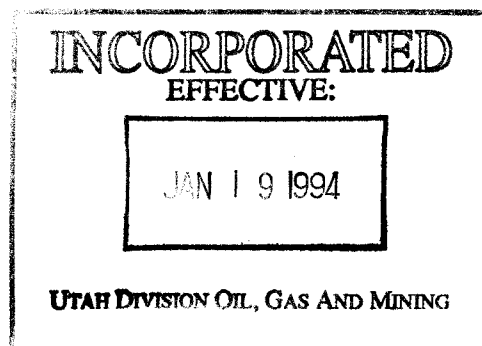
Castle Valley Resources, Wellington Loadout Violations 1990 thru 1993

Violation/ Cessation	Issued Date	Abatement/ Statement	Lapsed Time	Pertinent Regulations
90-27-3-1	3/14/90	Pending		Failure to comply with permit and MRP requirements. NPDES/UPDES permit and water monitoring program. Failure to sample and report. 9/1/91
91-38-1-1	8/8/91	8/28/91		Failure to comply with R614-303-300 & provide p r o o f o f advertisement.
91-39-8-1	8/28/91	Pending		S e d i m e n t a n d impoundment ponds not being designed and constructed to comply with R614-301-732.210 & R614-301-733.210 respectively
92-38-3-1	8/19/92	8/21/92 Vacated		Identifying proper operator and resident agent
92-38-4-1	8/19/92	8-31-92 Terminated		Failure to have access to monitoring records
93-39-1-1	2-24-93	3-17-93 Vacated		Cessation order inadequate bond
93-39-8-1	10/12/93	10/22/93		Failure to submit plans prior to relocating conveyor belt.

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I.P.A. Horse Canyon Mine Operation Violations 1990, 1991,1992

Violation/ Cessation	Issued Date	Abatement/ Statement	Description of Violation
N35-02-01	11-16-90	12-3-90	Operation and reclamation activities outside approved area.
91-35-3-1	10-9-91	10-31-91	Seed mixture not in compliance.
91-35-4-1	10-8-91	10-25-91 10-31-91	Volume of mat'l taken from burrow pit in excess
92-25-3-1	11-1-92	11-4-92	Failure to maintain sediment control measures
92-25-4-1	11-1-92	4-15-93	Failure to maintain and construct diversions to approved designs.
92-25-5-1	11-1-92	4-15-93	Failure to monitor per per the approved plan
92-25-6-1	11-1-92	3-19-93 Vacated	Failure to minimize erosion

1.14 RIGHT OF ENTRY AND OPERATION (R645-301-114.)

Applicant bases its legal right to enter and begin underground mining activities in the permit area upon the following documents:

Federal Coal Lease U-54762, issued to Genwal Coal Company December 1, 1986, currently owned by NEICO and IPA. IPA and NEICO have undivided 50% interest as tenants in common of all leases previously under Genwal Coal Company's sole ownership.

Assignment of Federal Lease SL-062648 and SL-050655 from heirs of John F. Sanders to applicant.

BLM approval of assignment to applicant from heirs of John F. Sanders.

The Joint Owners will succeed to all the rights and duties held by Permittee by operation of law, including the legal right to enter and continue coal mining and reclamation operations. Permittee will continue to operate the mine under the direction of the Joint Owners.

The joint Owners base their legal right to enter and continue underground mining activities in the permit area upon the following documents:

Federal Coal Lease Assignments:

Assignment of Federal Coal Lease U-54762 issued to Genwal Coal Company December 1, 1986 and assigned to the Joint Owners on July 11, 1991.

Assignment of Federal Coal Lease SL-62648, assigned to the Joint Owners on July 11, 1991

State Coal Lease Assignments:

Assignment of Utah State Coal Lease ML-21568, assigned to the Joint Owners on July 11, 1991

Assignment of Utah State Coal Lease ML-21569, assigned to the Joint Owners on July 11, 1991

Copies of the Assignments are included in Appendix 1-1. The Assignments are not subject to pending litigation.

Underground Access Special Use Permit Assignment:

Underground Access Special Use Permit Assignment issued July 20, 1991 to Genwal Coal Co. Inc. by the United States Forest Service (see Appendix 1-3).

Other Special Use Permit Assignments:

Special Use Permit, 1.5 acres, 150 x 400 ft adjacent to the

eastern boundary of Genwal's Federal Coal Lease SL-062648 (See Appendix 1-3)

Special Use Permit, .10 acres located in Section 6, SW quarter NE quarter T16S R7E SLBM (See Appendix 1-3).

Special Use Permit, .9 acres for stockpiles 1, 2, and 3 dated 8/17/87 (See Appendix 1-3)

Road Use Permit Assignment for F.S. No. 50248 road issued May 21, 1981 by the United States Forest Service (Appendix 1-2).

Special Use Permit, 50 acres located in S 1/2, S 1/2, SW 1/4, SW 1/4 SE 1/4 of Section 25 T15S, R6E., SLBM (See Appendix 1-4).

Lease Agreement, Surface:

Surface Lease Agreement, All of that part of the N1/2, NW1/4, SW1/4 lying north of Crandall Creek, with Beaver Creek Coal Company (See Appendix 1-5)

The right to continue underground mining operations will apply to the property attached hereto as Appendix 1-1.

The surface facility area and permit area is not within 300 feet of any occupied dwelling and is not subject to the prohibitions or limitations of the State and/or Federal Regulations.

1.15 STATUS OF UNSUITABILITY CLAIMS (R645-301-115.):

All available information concludes that the proposed permit area is not within an area designated as unsuitable for underground mining activities (refer to Appendix 1-7). The map required to be maintained by the regulatory authority under 764.25(b), does not indicate this permit area as unsuitable for underground mining. The regulatory authority has also stated that this area is not under study for designation in an administrative proceeding. The permit area is located in the Wasatch Plateau as described in the following, "Known Recoverable Coal Resource Area", as indicated in the San Rafael Planning Area Management Framework Plan, published in July 1979, by the United States Department of Interior, Bureau of Land Management. Pages 43 and 44 of that publication, copies of which are included with this application and found at the end of this chapter as Appendix 1-6, indicate that none of the acreage in the KRCRA was determined to be unsuitable for underground mining. In addition, the Land Management Plan, Ferron-Price Planning Unit, Manti-La Sal National Forest, published in May 1979, by the United States Department of Agriculture, Forest Service, Intermountain Region. The Forest Service has stated that this proposed permit area, which is included in the Section A3 minable coal area of this publication, will not be considered unsuitable for leasing or mining. Page 149 of the document is included with this application as Appendix 1-7.

The applicant was notified of a public hearing scheduled for June 2, 1981, at 3:00 p.m. in Huntington, Utah, at the Senior Citizens Center. An officer of Genwal Coal Company, Inc. was present at the hearing. The public hearing dealt with the proposed mining activities of the Crandall Canyon Mine within 100 feet of a public road (Forest Service Development). The USFS has issued a Special Use Permit for the Crandall Canyon Mine and accepts that the operation will occur within 100 feet of the Forest Service Development road.

The surface facility area and permit area is not within 300 feet from any occupied dwelling and is not subject to the prohibitions or limitations of State and/or Federal Regulations.

1.16 PERMIT TERMS: (R645-310-116.)

The applicant requests a permit term of five years from the date of approval, however mining activities will continue longer than five years if the coal becomes available and feasible to mine. The starting and termination dates in one year increments is shown on Plates 5-2A and 5-2B. The horizontal extent of the underground mine workings is also shown. Genwal will commit to comply with all applicable standards during times of temporary and permanent cessation of operations. Further discussion may be found in Chapter 500, Engineering.

1.17 INSURANCE, PROOF OF PUBLICATION: (R645-301-117.)

1.17.1 Insurance

The following page is a Certificate of Liability Insurance with NEICO and IPA.

1.17.2 Proof of Publication

A copy of the newspaper advertisement of the application for a renewal of Crandall Canyon Mine's permit will be filed with the Division and will be made part of the application as required under R645-300-121.100. (See Appendix 1-8)

1.18 FILING FEE: (R645-301-118)

This permit application to conduct coal mining and reclamation operations pursuant to the State Program will be accompanied by a fee of \$5.00.

1.20 APPLICATION FORMAT AND CONTENTS: (R645-301-120)

This application is structured based on the R645 regulations of the Division of Oil, Gas, and Mining. The chapter divisions in the application are based on the different sections of the R645 regulations. Each section of the application is based on the corresponding sections of the GENERAL CONTENTS of the R645 regulations.

1.23 VERIFICATION OF APPLICATION

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of

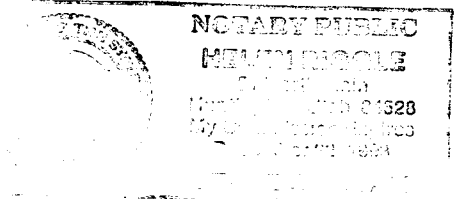
my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein

Allen Elch VP/MINE MGR. 5/10/93
Signed - Name - Position - Date

Subscribed and sworn to before me this 10th day of MAY, 1993

Helen Riggle
Notary Public

My commission Expires: 12-22, 1993)
Attest: STATE OF UTAH) ss:
COUNTY OF EMERY)



ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

01/10/94

PRODUCER

PRICE INSURANCE AGENCY
54 WEST MAIN ST - P.O. BOX 871
PRICE, UT 84501-0871
(801) 637-3351

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER	A	FEDERAL INSURANCE (CHUBB GROUP)
COMPANY LETTER	B	
COMPANY LETTER	C	
COMPANY LETTER	D	
COMPANY LETTER	E	

INSURED

NEVADA ELECTRIC INVESTMENT CO.,
GENWAL COAL COMPANY, INC. &
CASTLE VALLEY RESOURCES, INC.
P. O. BOX 1201
HUNTINGTON, UT 84528-1201

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.	3710-39-89	01/01/94	01/01/95	GENERAL AGGREGATE \$ 2,000,000
					PRODUCTS-COMP/OP AGG. \$ 1,000,000
					PERSONAL & ADV. INJURY \$ 1,000,000
					EACH OCCURRENCE \$ 1,000,000
					FIRE DAMAGE (Any one fire) \$ 50,000
					MED. EXPENSE (Any one person) \$ 5,000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY	<div style="border: 2px solid black; padding: 10px; text-align: center;"> INCORPORATED EFFECTIVE: JAN 1 9 1994 </div>			COMBINED SINGLE LIMIT \$
					BODILY INJURY (Per person) \$
					BODILY INJURY (Per accident) \$
					PROPERTY DAMAGE \$
					EACH OCCURRENCE \$
					AGGREGATE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM	UTAH DIVISION OIL, GAS AND MINING			STATUTORY LIMITS
					EACH ACCIDENT \$
	WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY				DISEASE-POLICY LIMIT \$
					DISEASE-EACH EMPLOYEE \$
	OTHER				

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

XCU COVERAGES ARE INCLUDED IN FORM; \$1000 DEDUCTIBLE PROPERTY DAMAGE;
MINE NAME: GENWAL COAL COMPANY CRANDALL CANYON MINE NUMBER ACT 015-032
MINE NAME: WELLINGTON LOADOUT MINE NUMBER ACT 007-012

CERTIFICATE HOLDER

STATE OF UTAH DIVISION
OF OIL, GAS & MINING
355 WEST NORTH TEMPLE
III TRIAD CENTER SUITE 350
SLC, UT 84180-1203

certify

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ~~NOTIFY~~ MAIL 45 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Key A. Misha

PRICE INSURANCE AGENCY
"All Kinds of Insurance"
54 West Main St. P. O. Box 871
Price, Utah 84501-0871
FAX 801-637-0503
1-801-637-3351 or 1-800-464-3351

January 28, 1993

Nevada Electric Investment Company, Inc.
Genwal Coal Company, Inc.
Castle Valley Resources, Inc.
P. O. Box 1201
Huntington, UT 84528-1201

Attn.: Larry Johnson

RE: Policy #3710-3989
Federal Insurance Co. (Chubb Group)

Dear Larry,

This letter is to confirm the handling of your \$1000 property damage deductible will be the same as prior years. The insurance company investigates the claim, has all proper documentation completed (i.e. proof of loss, releases, etc.), and issues the appropriate check to the claimant. Afterwards, the insurance company collects any deductible amount from the Insured. This makes sure the claimant is satisfied and not awaiting a deductible check from the Insured.

The above described procedure is common with most insurance companies nationwide. If you have any questions, please contact me. Thank you.

Sincerely,



Roy A. Nikas